

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 EB-07 COME-00 TRSE-00 OMB-01 FEA-01 CEA-01
EPG-02 STR-04 FRB-03 /077 W
-----070537Z 045688 /11

R 061220Z MAY 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 3568
INFO AMCONSUL BELFAST
AMCONSUL EDINBURGH

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PASS TO TREASURY

E. O. 11652:NA
TAGS: PGOV, PINT, EFIN, UK
SUBJECT: GOVERNMENT CONCEDES TO LIBERALS ON PETROL TAX

1. THE GOVERNMENT MAY 5 BACKED DOWN IN THE FACE OF LIBERAL OPPOSITION TO THE 5 1/2 PENCE PER GALLON TAX ON GASOLINE BY TABLING AN AMENDMENT TO THE FINANCE BILL WHICH WOULD ABOLISH THE ALREADY IMPOSED TAX ON AUGUST 5. THIS ACTION REPRESENTS A SIGNIFICANT VICTORY FOR THE LIBERALS AND IS THE FIRST SUBSTANTIVE CONCESSION TO THEM SINCE THEY ENTERED THE PARLIAMENTARY PACT WITH THE GOVERNMENT.
2. THE PRESS REPORTS THAT THE TERMS OF THE AMENDMENT WERE WORKED OUT BY CHANCELLOR HEALEY AND LIBERAL ECONOMIC SPOKESMAN JOHN PARDOE. ACCORDING TO THE PRESS, THE REVENUE IMPLICATIONS OF THE PROPOSED AMENDMENT ARE RELATIVELY MINOR--THE LOSS OF 140 MILLION POUNDS--AND MAY NOT REQUIRE AN OFFSETTING ADJUSTMENT.

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3. COMMENT: THE GOVERNMENT'S DECISION TO ACCEDE TO THE LIBERALS ON THIS MATTER SEEMS TO ENSURE THAT THE FINANCE BILL WILL BE APPROVED WITHOUT THE EMBARRASSMENT OF POSSIBLE DEFEAT ON A FLOOR AMENDMENT WHICH MIGHT HAVE AFFECTED TAX REVENUE FROM OTHER PETROLEUM PRODUCTS. AS YET THERE HAS BEEN NO PUBLIC REACTION FROM LABOR'S LEFT-WINGERS, BUT THEY ARE ALREADY

RESENTFUL OF THE GOVERNMENT/LIBERAL PACT ON THE
GROUNDS THAT, AMONG OTHER THINGS, IT GIVES THE LIBERALS
A GREATER SAY IN GOVERNMENT POLICIES THAN THEY HAVE.
FOR THEIR PART, THE LIBERALS CAN TAKE CREDIT FOR
REPEAL OF A VERY UNPOPULAR TAX, AND ONE WHICH IS
PARTICULARLY ONEROUS FOR THOSE LIVING IN RURAL AREAS
AND DEPENDENT UPON PRIVATE TRANSPORTATION. SPIERS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, TRADE CONCESSIONS, TAXES, TAX REFORMS, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Sent Date: 06-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON07480
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770160-0942
Format: TEL
From: LONDON
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770586/aaaacvxz.tel
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Litigation Codes:
Litigation History:
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Original Classification: LIMITED OFFICIAL USE
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Review Exemptions: n/a
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Status: NATIVE
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TAGS: PGOV, PINT, EFIN, UK
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Type: TE
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